

## **Part 1 –Introduction and Overview**

- A. Applicability:** This Application for Customer Generation Cost Responsibility Surcharge (CRS) Tariff Exemptions (Application) is for the purpose of requesting an exemption from various nonbypassable charges related to Customer Generating Facilities used to replace or supplement electric utility service. It may be used to request exemption from certain nonbypassable charges and requirements under Utility tariff schedules.

Capitalized terms used in this Application, and not otherwise defined herein, shall have the same meanings as defined in Utility's Rules 1 and 21. When the definition of a capitalized term in this document is different from the definition in Rule 1, such definition applies only to this document. This Application may be used for any Generating Facility operated by or for a Customer to serve all or a portion of the Customer's electric service requirements that would otherwise be served by the Utility. Such Generating Facilities are sometimes referred to as "customer" generation or "distributed" generation.

- B. Guidelines and Steps for Processing:** This Application must be completed and sent to the Utility to initiate the Utility's review and determination of tariff exemption eligibility for the proposed Generating Facility and for the California Energy Commission (CEC) to execute its responsibilities with regard to managing the statewide Megawatt (MW) Cap, currently set at 3,000 MW. The Utility will first make a provisional determination as to whether the Generating Facility qualifies for available exemptions. Final categorization and notice will be made only after the Utility and the CEC confirm that the installation qualifies for the exemption.

***All customers seeking an exemption from the Cost Responsibility Surcharge, as determined in California Public Utilities Commission (CPUC) Decision 03-04-030, for customer generation departing load must complete and submit this Application to both the Utility and the CEC. Information provided to the Utility on this Application will be shared with both the CEC and the CPUC.***

This Application supplements, and does not replace, the Utility's application to interconnect a Generating Facility. Separate interconnection applications are available and are required to be completed to request the interconnection of a Generating Facility. Other approvals may also need to be acquired and/or other agreements may need to be formed with the Utility and various governmental regulatory agencies, such as the air quality management districts and local governmental building and planning departments prior to operating a Generating Facility.

- C. Glossary:** A glossary of commonly used terms found throughout this Application is contained in Attachment I. Where applicable, the source is provided for a more complete definition of the term.
- D. Mailing Instructions, Assistance:** When this Application has been completed it must be printed and mailed, along with the required attachments to the Utility and to the CEC at the addresses below. Send the original signed application to the Utility and a copy to the CEC.

Southern California Edison Company  
Distributed Generation Administrator  
2244 Walnut Grove Avenue, Quad 4D  
Rosemead, CA 91770

California Energy Commission  
1516 9<sup>th</sup> Street, MS-32  
Sacramento, CA 95814

Questions concerning the completion of this form or the use of the information requested may be directed to the Utility.

- E. Approval and Categorization:** Within 10 calendar days of receipt of the completed Application, the Utility will notify you in writing of the following:
- Provisional Categorization of the Generating Facility.
  - Conditions that must be met before Final Categorization will be granted.
  - A description of the CRS the Customer will be exempt or not exempt from paying.

Should you disagree with the Utility's Provisional Categorization, please contact the CEC.

**Part 2 – Generating Facility Location and Responsible Parties**

| Facility Name: | Date Received: | Utility Reference Number: |
|----------------|----------------|---------------------------|
|                |                |                           |

(For Utility Use Only)

**A. Host Customer Facility Information** (Where will the Generating Facility be installed?)

|   |                              |              |
|---|------------------------------|--------------|
|   |                              |              |
| Name shown on Utility electric bill   | Electric Service Account No. | Meter Number |
| NOTE: Please submit a copy of the host Customer facility's electric service bill. |                              |              |
|   |                              |              |
| Service Address shown on electric bill  | City                         | State Zip    |

**B. Host Customer Contact Information** (Customer to receive the tariff exemption)

|                 |                |
|-----------------|----------------|
|                 |                |
| Contact Person  | Company Name   |
|                 |                |
| Phone           | Fax Email      |
|                 |                |
| Mailing Address | City State Zip |

**C. Applicant Contact Information** (If not the Host Customer)

|                   |                  |
|-------------------|------------------|
|                   |                  |
| Individual's Name | Title (Position) |
|                   |                  |
| Phone             | Fax Email        |
|                   |                  |
| Mailing Address   | City State Zip   |

**Part 3 – Description of Generating Facility**

|  |   |                                   |
|--|---|-----------------------------------|
|  |   |                                   |
| Nameplate (kW) - Total Gross<br>Nameplate Rating of<br>Generating Facility | Net Output (kW) – Total<br>Estimated Maximum Customer<br>Demand served by Generating<br>Facility, if other than Total Gross<br>Nameplate Rating | Net Output (Estimated Annual kWh) |

**Generator No. 1 (Use additional sheets if necessary)**

**A. Equipment Description**

|                                   |                        |
|-----------------------------------|------------------------|
|                                   |                        |
| Manufacturer                      | Model                  |
|                                   |                        |
| Nameplate Rating (kW)             | Net Output Rating (kW) |
|                                   |                        |
| Number of Generators of this type |                        |

**B. Operational Date**

|                               |           |
|-------------------------------|-----------|
|                               |           |
| Actual (already in operation) | Estimated |

**C. Prime Mover Type**

**D. Fuel Type**

|                         |                         |
|-------------------------|-------------------------|
|                         |                         |
| Select from list below. | Select from list below. |

Prime Mover Types

1. Internal combustion reciprocating engine
2. Gas micro-turbine
3. Gas turbine
4. Photovoltaic (Solar)
5. Fuel Cell
6. Wind turbine
7. Hydro turbine
8. Other (please specify)

Fuel Types

1. Natural Gas
2. Landfill Methane
3. Digester Methane
4. Diesel
5. Other (please specify)
6. Not Applicable

**Part 3 – Description of Generating Facility (continued)**

**Generator No. 2 (Use additional sheets if necessary)**

**A. Equipment Description**

|                                   |                        |
|-----------------------------------|------------------------|
|                                   |                        |
| Manufacturer                      | Model                  |
|                                   |                        |
| Nameplate Rating (kW)             | Net Output Rating (kW) |
|                                   |                        |
| Number of Generators of this type |                        |

**B. Operational Date**

|                               |           |
|-------------------------------|-----------|
|                               |           |
| Actual (already in operation) | Estimated |

**C. Prime Mover Type**

|  |
|--|
|  |
|--|

Select from list below.

Prime Mover Types

1. Internal combustion reciprocating engine
2. Gas micro-turbine
3. Gas turbine
4. Photovoltaic (Solar)
5. Fuel Cell
6. Wind turbine
7. Hydro turbine
8. Other (please specify)

**D. Fuel Type**

|  |
|--|
|  |
|--|

Select from list below.

Fuel Types

1. Natural Gas
2. Landfill Methane
3. Digester Methane
4. Diesel
5. Other (please specify)
6. Not Applicable

**Generator No. 3 (Use additional sheets if necessary)**

**A. Equipment Description**

|                                   |                        |
|-----------------------------------|------------------------|
|                                   |                        |
| Manufacturer                      | Model                  |
|                                   |                        |
| Nameplate Rating (kW)             | Net Output Rating (kW) |
|                                   |                        |
| Number of Generators of this type |                        |

**B. Operational Date**

|                               |           |
|-------------------------------|-----------|
|                               |           |
| Actual (already in operation) | Estimated |

**C. Prime Mover Type**

|  |
|--|
|  |
|--|

Select from list below.

Prime Mover Types

1. Internal combustion reciprocating engine
2. Gas micro-turbine
3. Gas turbine
4. Photovoltaic (Solar)
5. Fuel Cell
6. Wind turbine
7. Hydro turbine
8. Other (please specify)

**D. Fuel Type**

|  |
|--|
|  |
|--|

Select from list below.

Fuel Types

1. Natural Gas
2. Landfill Methane
3. Digester Methane
4. Diesel
5. Other (please specify)
6. Not Applicable

## Part 4 - Applicability of Qualifying Criteria

Indicate if the Generating Facility meets any of the following criteria:

1. Will the Generating Facility serve a campus of the University of California or California State University system?

☐ **Yes**

☐ **No**

Applicable to Generator ☐ 1, ☐ 2, ☐ 3 (check all that apply).

2. Will the entire Generating Facility be operated under the Utility's "Net Energy Metering" tariff?

☐ **Yes** Attach a copy of the application for interconnection and service under Schedule X-XXX that you received from the Utility.

☐ **No**

Applicable to Generator ☐ 1, ☐ 2, ☐ 3 (check all that apply).

3. Will the Generating Facility be operated under the Utility's "Biogas Net Energy Metering" tariff?

☐ **Yes** Attach a copy of the application for interconnection and service under Schedule X-XXX that you received from the Utility.

☐ **No**

Applicable to Generator ☐ 1, ☐ 2, ☐ 3 (check all that apply).

4. Will the Generating Facility be under 1 MW in size and eligible for financial incentives from either the Self-Generation Incentive Program (SGIP) or a CEC incentive program?

☐ **Yes** Attach a copy of the "Reservation Confirmation Incentive Claim Form" that you received from the Utility or attach a copy of the CEC incentive documentation you received from the CEC.

☐ **No**

Applicable to Generator ☐ 1, ☐ 2, ☐ 3 (check all that apply).

5. Will the Generating Facility meet the requirements for an **Ultra-Clean and Low-Emissions facility** as defined in Public Utilities Code Section 353.2?

☐ **Yes** Attach CARB certification documentation and complete **Part 5**.

☐ **No**

Applicable to Generator ☐ 1, ☐ 2, ☐ 3 (check all that apply).

6. Will the Generating Facility be operated in a "Combined Heat and Power Application", meeting the efficiency requirements for "Cogeneration" in Section 218.5 of the Public Utilities Code?

☐ **Yes** Complete **Part 6**.

☐ **No**

Applicable to Generator ☐ 1, ☐ 2, ☐ 3 (check all that apply).

7. Will the Generating Facility (a) rely on technology other than diesel-fired generation, (b) be used for purposes other than back-up generation, and (c), as permitted, meet the requirements for best available control technology set by local air quality management districts and/or the California Air Resources Board, as applicable?

☐ **Yes**

☐ **No**

Applicable to Generator ☐ 1, ☐ 2, ☐ 3 (check all that apply).

**Note:** This Generating Facility may be monitored for ongoing compliance pursuant to Public Resources Code Section 1395.4. If conditions change in the operation of this Generating Facility, such as changes in Net Output, and/or generation capability, it is the responsibility of the Customer to immediately notify both the Utility and the CEC of such changes.

**Part 5 – Declaration in Support of Claim of DWR Power Charge Exemption  
Under Public Utilities Code Section 353.2**

This Declaration documents assertions by \_\_\_\_\_ (“Customer”) that the Generating Facility qualifies for an exemption from the Department of Water Resources (DWR) Power Charge pursuant to Decision 03-04-030 as authorized by Public Utilities Code Section 353.2. Customer understands that the information provided below has a direct and material bearing on meeting legal requirements for the DWR Power Charge exemption. Customer agrees to inform the Utility at the address specified below within 30 days should any of the information contained herein become outdated or inaccurate at any time during the Generating Facility’s operation.

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**Exemption Qualifications (check all that apply)**

- \_\_\_\_\_ The Customer owns and/or operates a Generating Facility that commenced initial operation between January 1, 2003 and December 31, 2008.
- \_\_\_\_\_ The Generating Facility uses a technology that has been certified by the California Air Resources Board (CARB) as “Ultra Clean and Low-Emissions” (PUC Section 353.2). **CARB certification documentation is attached.**
- \_\_\_\_\_ The Generating Facility, described in more detail in Part 3 of this Application, produces zero emissions during its operation. Calculation of generation efficiency below is not applicable.
- \_\_\_\_\_ The Generating Facility, described in more detail in Part 3 of this Application, produces emissions during its operation that are equal to or less than the 2007 CARB emission limits for distributed generation, except that technologies operating by combustion must operate in a combined heat and power application with a 60-percent system efficiency or on a **higher** heating value. Calculation of generation efficiency is provided below.

**Part 5 – Declaration in Support of Claim of DWR Power Charge Exemption  
Under Public Utilities Code Section 353.2 (continued)**

**Calculations**

Completion of this section is required unless CARB Certification is included as part of this application or the facility produces zero emissions. Use calculation format below or attach separate calculations concerning expected calendar year operations. Calculations must be consistent with Public Utilities Code Section 353.2.

**Efficiency Standard Formula:**

$$\frac{\text{Electric Output (Btu)} + \text{Useful Thermal Output (Btu)}}{\text{Fuel Input (Btu)}} \times 100\% \geq 60\%$$

Total Generating Facility  
Annual Operation [AO] \_\_\_\_\_ hr/yr

Gross Generating Facility Nameplate: \_\_\_\_\_ kW  
- Parasitic Losses: \_\_\_\_\_ kW  
= Net Generating Facility \_\_\_\_\_ kW  
x 3413 Btu / hr / kW  
= Net Electric Output \_\_\_\_\_ Btu/hr  
x [AO]  
= Total Net Electric Output [TNEO] \_\_\_\_\_ Btu/yr

Generating Facility Thermal Output \_\_\_\_\_ Btu/hr  
- Adj. For Wasted Thermal \_\_\_\_\_ Btu/hr  
= Net Useful Thermal \_\_\_\_\_ Btu/hr  
x [AO]  
= Total Net Useful Thermal [TNUT] \_\_\_\_\_ Btu/yr

Fuel Input [HHV] \_\_\_\_\_ Btu/hr  
x [AO]  
= Total Fuel Input [TFI] \_\_\_\_\_ Btu/yr

$$\frac{(\text{TNEO}) + (\text{TNUT})}{(\text{TFI})} \times 100\% \geq 60\%$$

This calculation prepared by \_\_\_\_\_ (name),  
\_\_\_\_\_, (Company), \_\_\_\_\_  
(telephone), on \_\_\_\_\_ (date)

**Part 5– Declaration in Support of Claim of DWR Power Charge Exemption  
Under Public Utilities Code Section 353.2 (continued)**

**Utility Notification Address**

All changes to this Declaration must be communicated in writing to the Utility at the address below.

Southern California Edison Company  
Distributed Generation Administrator  
2244 Walnut Grove Avenue, Quad 4D  
Rosemead, CA 91770

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I, \_\_\_\_\_ declare under penalty of perjury under the laws of  
(please print)  
the State of California that all the information provided above and in this Application is true and correct.

\_\_\_\_\_ (Signature)

\_\_\_\_\_ (Title)

\_\_\_\_\_ (Company)

\_\_\_\_\_ (Date)



**Part 6 – Declaration in Support of Claim of Competition Transition Charge  
Exemption Under Public Utilities Code Section 372**

This Declaration documents assertions by \_\_\_\_\_ (“Customer”) that the Generating Facility qualifies for an exemption from the Competition Transition Charge (“CTC”) as authorized by Public Utilities Code Section 372. Customer understands that the information provided below has a direct and material bearing on meeting legal requirements for the CTC exemption as set forth in Sections 218, 218.5, and 372 of the Public Utilities Code. Customer agrees to inform the Utility at the address specified below within 30 days should any of the information contained herein become outdated or inaccurate at any time during the Generating Facility’s operation.

**Exemption Qualifications (all must apply)**

- The Generating Facility, described in more detail in Part 3 of this Application, is statutorily exempt under Public Utilities Code Section 372.
- The Generating Facility, described in more detail in Part 3 of this Application, meets annual Cogeneration operating and efficiency standards (Standards) as required under Public Utilities Code Section 218.5. Calculation of the Standards is provided below.
- Delivery of electric energy to all load is/will be consistent with the requirements set forth in Public Utilities Code Section 218 for exclusion of the Generating Facility from being defined as an “electric corporation.”
- The Generating Facility is non-mobile.

**Calculations**

**Completion of this section is required unless documentation is included as part of this Application.** Use the calculation format below or attach separate calculations concerning expected calendar year operations. Both calculations must be consistent with Public Utilities Code Section 218.5 and both calculations must be met to qualify for this exemption.

**Efficiency Standard Formula:**

$$\frac{\text{Electric Output (Btu)} + \frac{1}{2} \text{ Useful Thermal Output (Btu)}}{\text{Fuel Input (Btu)}} \times 100\% \geq 42.5\%$$

**Operating Standard Formula:**

$$\frac{\text{Useful Thermal Output (Btu)}}{\text{Useful Thermal Output (Btu)} + \text{Net Electric Output (Btu)}} \times 100\% \geq 5\%$$

**Part 6 – Declaration in Support of Claim of Competition Transition Charge Exemption Under Public Utilities Code Section 372 (continued)**

Total Generating Facility  
Annual Operation [AO] \_\_\_\_\_ hr/yr

Gross Generating Facility Nameplate: \_\_\_\_\_ kW  
- Parasitic Losses: \_\_\_\_\_ kW  
= Net Generating Facility \_\_\_\_\_ kW  
x 3413 Btu / hr / kW  
= Net Electric Output \_\_\_\_\_ Btu/hr  
x [AO]  
= Total Net Electric Output [TNEO] \_\_\_\_\_ Btu/yr

Generating Facility Thermal Output \_\_\_\_\_ Btu/hr  
- Adj. For Wasted Thermal \_\_\_\_\_ Btu/hr  
= Net Useful Thermal \_\_\_\_\_ Btu/hr  
x [AO]  
= Total Net Useful Thermal [TNUT] \_\_\_\_\_ Btu/hr

Fuel Input [LHV] \_\_\_\_\_ Btu/hr  
x [AO]  
= Total Fuel Input [TFI] \_\_\_\_\_ Btu/yr

$$\frac{(( \text{ TNEO } ) + \frac{1}{2} ( \text{ TNUT } )) \times 100\%}{( \text{ TFI } )} \geq 42.5 \%$$

$$\frac{( \text{ TNUT } ) \times 100\%}{( \text{ TNUT } ) + ( \text{ TNEO } )} \geq 5 \%$$

These calculations prepared by \_\_\_\_\_ (name),  
\_\_\_\_\_, (Company), \_\_\_\_\_  
(telephone), on \_\_\_\_\_ (date).

**Part 6 – Declaration in Support of Claim of Competition Transition Charge Exemption  
Under Public Utilities Code Section 372 (continued)**

**Utility Notification Address**

All changes to this Declaration must be communicated in writing to the Utility at the address below.

Southern California Edison Company  
Distributed Generation Administrator  
2244 Walnut Grove Avenue, Quad 4D  
Rosemead, CA 91770

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I, \_\_\_\_\_ declare under penalty of perjury under the laws of  
(please print)  
the State of California that all the information provided above and in this Application is true and  
correct.

\_\_\_\_\_ (Signature)

\_\_\_\_\_ (Title)

\_\_\_\_\_ (Company)

\_\_\_\_\_ (Date)

## **ATTACHMENT I – Glossary**

*Note: The following is provided for informational purposes only. Legal descriptions and definitions are governed by CEC Regulations (Public Resources Code Section 1395), CPUC Code, and CPUC Decisions.*

|   |   |
|---|---|
| <b>CEC</b>                                  | California Energy Commission  |
| <b>CPUC</b>                                 | California Public Utilities Commission  |
| <b>Cost Responsibility Surcharge or CRS</b> | Energy cost obligations consistent with CPUC Decision 03-04-030 and subsequent CPUC decisions. CRS Charges may include the Historical Procurement Charge (SCE customers only), DWR Bond Charge, the DWR Power Charge, and applicable CTC Charges.   |
| <b>Competition Transition Charge or CTC</b> | Generally, those costs that cover the Utilities generation-related infrastructure investments and power purchases (QF) payments which are not competitive after restructuring.  |
| <b>Departing Load or DL</b>                 | Those portions of the utility customer's electric load for which the customer: discontinues or reduces its purchase of bundled or direct access service from the utility, purchases or consumes electricity supplied and delivered by Customer Generation to replace the utility or direct access purchases, and remains physically located at the same location or elsewhere within the utility's service territory as of April 3, 2003. This definition of departing load does not include, nor do any CRS charges apply to: <ul style="list-style-type: none"> <li>• Changes in usage occurring in the normal course of business resulting from changes in business cycles, termination of operations, departure from the utility service territory, weather, reduced production, modifications to production equipment or operations, changes in production or manufacturing processes, fuel switching, enhancement or increased efficiency of equipment or performance of existing Customer Generation equipment, replacement of existing Customer Generation equipment with new power generation equipment of similar size, installation of demand-side management equipment or facilities, energy conservation efforts, or other similar factors.</li> <li>• New customer load or incremental load of an existing customer where the load is being met through a direct transaction with Customer Generation and the transaction does not otherwise require the use of transmission or distribution facilities owned by the utility.</li> <li>• Load temporarily taking service from a back-up generation unit during emergency conditions called by the utility, the California Independent System Operator, or any successor system operator.</li> </ul> |
| <b>DWR</b>                                  | California Department of Water Resources.   |
| <b>DWR Bond Charge</b>                      | The charge implemented by the CPUC to recover past DWR costs from Utility bundled ratepayers "Bond Related Costs" as defined in CPUC Decision 02-02-051.  |
| <b>DWR Power Charge</b>                     | The charge implemented by the Commission to recover from the Utility bundled ratepayers DWR's current, going forward costs.   |
| <b>Exemptions from CTCs</b>                 | When used in reference to departed load, that portion of customer load served through a direct transaction that does not require the use of Utility's transmission or distribution facilities. Any party claiming an exemption from transition charges (CTCs) under this provision shall demonstrate through a physical test, the ability to start and fully operate on an ongoing basis without the use or requirement of Utility's T&D system (black start).  |
| <b>Final Categorization</b>                 | A point at which the CEC determines whether an application meets all conditions to be eligible for an applicable CRS exemption.   |
| <b>Interconnection; (Interconnected)</b>    | Connection to and parallel operation with the utility's distribution system for 60 cycles or more.  |
| <b>Provisional Categorization</b>           | The first step in determining whether or not a Generating Facility appears to qualify for certain exemptions. Once the Utility grants Provisional Categorization, the CEC will review and make a Final Categorization.  |

**APPLICATION FOR CUSTOMER GENERATION  
COST RESPONSIBILITY SURCHARGE TARIFF EXEMPTION  
*Final Form: Adopted 12/17/03***

|  |   |
|--|---|
| <b>Rule 21</b>                                   | Rule describing the interconnection, operating and metering requirements for Generating Facilities intending to connect to the Utility's distribution system, under CPUC jurisdiction.  |
| <b>Section 218.5 of Public Utilities Code</b>    | Defines cogeneration as follows: (a) at least 5 percent of the Generating Facility's annual energy output shall be in the form of useful thermal energy; (b) where useful thermal energy follows power production, the useful annual power output plus one-half the useful annual thermal energy output equals not less than 42.5 percent of any natural gas or oil energy input. |
| <b>Self-Generation Incentive Program or SGIP</b> | CPUC Program providing financial incentives for the installation of new, qualifying equipment installed to meet all or a portion of electrical needs of a facility.   |